



The City of San Diego

Staff Report

DATE ISSUED: December 15, 2021

TO: Economic Development & Intergovernmental Relations Committee

FROM: Real Estate and Airport Management

SUBJECT: Assessment for Childcare Facilities

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Council District(s): Citywide

OVERVIEW:

To address the shortage of affordable childcare facilities in San Diego, the Department of Real Estate and Airport Management was tasked with assessing City owned properties for potential use as childcare facilities and reporting the findings to the Economic Development & Intergovernmental Relations Committee. A report by the San Diego Workforce Partnership found 70% of San Diego families with children have all parents in the household working and of those, 40% with two children and living on a median income spend up to 40% of their monthly budget on childcare. This lack of affordable quality childcare can alter parents' ability to enter, remain or re-enter the workforce, causing negative economic impacts to the individual families, employers, and the community as a whole.

PROPOSED ACTIONS:

1. Request feedback and direction from Committee members on next steps to implement report and findings:
 - a. Staff recommends the City Attorney's office and the Development Services Department further investigate the necessary requirements and legalities of any potential exemptions
 - b. Staff recommends issuing a Request For Information (RFI) so the City can identify potential operators with knowledge of childcare facility requirements

DISCUSSION OF ITEM:

Background

According to a report by the YMCA of San Diego County Childcare Resource Service, from the time the pandemic began to April 2021, 522 childcare providers have closed in San Diego County, representing roughly 12% of the county's providers and increasing the strain on what was already an inadequate childcare system.

Many of the businesses that have remained open are operating at reduced capacity, often with reduced staff and increased costs due to health restrictions. While most schools have returned to full operations, the childcare section will not likely bounce back to prior levels, let alone to the capacity that working parents (and their employers) need.

According to the report, nearly 190,000 children in San Diego County under the age of 12 don't have a stay-at-home parent and are not able to secure childcare. Many neighborhoods in San Diego County are childcare deserts, where the demand for care far outweighs the supply. A childcare desert is defined as a geographic area where fewer than 3 childcare spots are available for every 10 children under age 6. Infant and toddler care is particularly hard to find, as less than 20% of childcare providers are licensed for infants, and the number of home-based programs is decreasing.

Recognizing the need to address this ongoing issue, the Economic Development & Intergovernmental Relations Committee put forth the following Motion at its May 26, 2021 meeting:

Request that City Staff (1) identify city properties that can be adapted for use as or made available for construction of childcare facilities through a facilities assessment; (2) report the findings to the Economic Development & Intergovernmental Relations Committee within six months; (3) study the feasibility of negotiating a Master Lease of real estate that can be used or converted to childcare facilities; and (4) explore reforms to city permit processes to incentivize the conversion of existing commercial or office space into childcare facilities.

The Motion passed unanimously, and the Department of Real Estate and Airport Management was tasked with researching and providing the requested information.

Assessment

Staff began the assessment process by reviewing a list of the 1,100 City facilities and removing fire stations, police stations, pump stations, operation yards, ranger stations, cemeteries, landfills and wastewater treatment facilities. That left a list of 121 properties, comprised of nine warehouses, 15 office buildings, 60 Park and Recreation centers and 37 libraries. After discussion, the warehouses were removed from consideration due to the nature of the work sites, storage of hazardous materials and other safety concerns.

Working with the Development Services Department, the zoning was added to each of the sites for informational purposes. The zoning was not considered nor used in the selection of potential properties but provided for context when assessing future feasibility.

The next step in the assessment process was to identify which of the remaining properties had a minimum of 5,000 square feet on the ground floor, which left 78 sites as follows: 20 libraries, 12 office buildings and 40 Park and Recreation centers. Of those 78 sites, 72 of them also had either outdoor greenspace or a parking lot that could possibly be converted to an outdoor playground area.

The final list of potential childcare facilities includes 18 libraries, 42 Park and Recreation centers and 12 office buildings. The remaining properties have been separated by product type and Council Districts and are included in the attached Facility Assessment Report and District maps.

Recommendation

While childcare facilities operated on City properties, by City staff may be exempt from zoning and Conditional Use Permit requirements it's less clear if the exemption applies to a private operator on City property. Staff recommends the City Attorney's office and the Development Services Department further investigate the necessary requirements and legalities of any potential exemptions.

Staff recommends issuing a Request For Information (RFI) so the City can identify potential operators with knowledge of childcare facility requirements to assist with the final selection of sites, provide details

on what tenant improvements would be required and ensure the site(s) would be in compliance with childcare facility needs and building code requirements that cannot be waived regardless of the facility operator or property.

Allowing individual operators as well as master operators to respond to the RFI, may support small businesses and the re-opening of smaller scale childcare facilities that closed during the pandemic. Master operators may be interested in pursuing a master lease or license agreement for multiple locations throughout the City.

If the Committee accepts Staff recommendations, an RFI could be issued in late spring/early summer of 2022.

City Strategic Plan Goal(s)/Objective(s):

Goal #1: Provide high quality public service

Objective #1: Promote a customer-focused culture that prizes accessible, consistent, and predictable delivery of services

Goal #2: Work in partnership with all of our communities to achieve safe and livable neighborhoods

Objective #4: Foster services that improve quality of life

Goal #3: Create and sustain a resilient and economically prosperous City with opportunity in every community

Objective #1: Create dynamic neighborhoods that incorporate mobility, connectivity, and sustainability

Fiscal Considerations:

N/A

Charter Section 225 Disclosure of Business Interests:

N/A, there is no contract associated with this action

Environmental Impact:

This activity is not a project pursuant to CEQA Guidelines Section 15378(b)(5), as it is an organizational or administrative activity of a government that will not result in a direct or reasonably foreseeable indirect physical change in the environment. As such, this activity is not subject to CEQA pursuant to CEQA Guidelines Section 15060(c)(2).

Equal Opportunity Contracting Information (if applicable):

N/A

Previous Council and/or Committee Actions:

Initial Motion made on May 26, 2021 by the Economic Development & Intergovernmental Relations Committee

Update provided on September 8, 2021 to the Economic Development & Intergovernmental Relations Committee

Key Stakeholders and Community Outreach Efforts:

Residents of the City of San Diego

Penny Maus
Director, Real Estate and Airport Management

Alia Khouri
Deputy Chief Operating Officer
